



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1649/36

DAK/PJK/RAC/MJL:wjl:ms

D-NOTE

DOA:.....Johnston, BB0423 - Health care quality improvement
FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

Today
please

1 ^{Do Not Gen}
AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

HEALTH

Under current law, DHFS must collect, analyze, and disseminate health care information from health care providers other than hospitals and ambulatory surgery centers; in addition, DOA must contract with an entity to collect, analyze, and disseminate health care information from hospitals and ambulatory surgery centers. Both DHFS and the entity under contract with DOA must, from the data collected, prepare certain reports that do not permit the identification of a patient, an employer, or a health care provider. The Board on Health Care Information, attached to DHFS, must advise DHFS on the collection, analysis, and dissemination of health care information; provide oversight on the reports issued by DHFS and the entity under contract with DOA; and develop overall strategy and direction for health care information collection activities. Activities of the Board on Health Care Information and DHFS are funded from fees for performance of certain work under contract and from assessments that are annually levied on health care providers other than hospitals and ambulatory surgery centers.

This bill eliminates the Board on Health Care Information as of October 1, 2005, and replaces it on that date with a nine-member Health Care Quality and Patient Safety Board (HCQPSB), attached to DOA, which assumes the duties and powers of the Board on Health Care Information. In addition, the HCQPSB must do all of the following:

1. By March 1, 2006, study and make recommendations concerning the feasibility of creating a centralized physician information database.

2. By October 1, 2006, study and make recommendations concerning rules required and authorized to be promulgated by DHFS concerning the collection, analysis, and dissemination of health care information.

3. By January 1, 2007, develop a plan and specific strategies to deploy health care information systems technology for health care quality, safety, and efficiency.

4. Annually report on its plans, activities, accomplishments, and recommendations.

5. Annually assess the extent to which automated information and decision support systems are used by health care providers in Wisconsin.

6. Annually assess options and develop a plan to achieve automation of all health care systems in Wisconsin by 2010.

7. Make grants or loans to clinics, health maintenance organizations, hospitals, or physicians for various projects.

INSERT
ANAL The bill creates the health care quality improvement fund, a segregated fund that consists of moneys transferred from the injured patients and families compensation fund, the net proceeds of certain revenue obligations, a portion of the annual assessments levied on health care providers other than hospitals and ambulatory surgery centers, and the repayment of any loans made by the HCQPSB. Funds of the health care quality improvement fund are, under the bill, appropriated for general program operations of the HCQPSB, for grants or loans made by the HCQPSB, and for benefits under the Medical Assistance (MA) program, including payments for direct graduate medical education, a major managed care supplement, a pediatric services supplement, rural hospital supplements, and an essential access city hospital.

Under the bill, the entity under contract with DOA must annually report to the HCQPSB concerning the fulfillment of the entity's obligations under the contract. Also, before July 1, 2007, DHFS may promulgate only those rules relating to the collection, analysis, and dissemination of health care information that are first approved by the HCQPSB.

OTHER HEALTH AND HUMAN SERVICES

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) provides financial assistance to private and public health facilities and hospitals. This bill prohibits WHEFA from providing such financial assistance unless the health facility or hospital demonstrates to the Health Care Quality and Patient Safety Board (HCQPSB) that the health facility or hospital is making efforts to improve medical technology.

INSURANCE

Under current law, certain health care providers are required to carry health care liability insurance with liability limits of at least \$1,000,000 for each occurrence and at least \$3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim against a health care provider subject to the health care liability insurance requirements that exceeds the policy limits of the health care provider's health care liability insurance is paid by the injured patients and families

↑ promote the collection and availability of
 ↓ certain health care information and
 foster the evolution of certain partnerships and
 agreements and transparency of health care information

compensation fund. Moneys for the fund come from annual assessments paid by the health care providers who are subject to the health care liability insurance requirements. Current law provides that the fund is established to curb the rising costs of health care by financing part of the liability incurred by health care providers as a result of medical malpractice claims and that the fund is held in irrevocable trust for the sole benefit of providers and proper claimants and may not be used for any other purpose of the state.

This bill transfers \$140,286,000 in fiscal year 2005–06 and \$9,714,000 in fiscal year 2006–07 from the injured patients and families compensation fund to the health care quality improvement fund, as created in the bill. The bill also adds to the stated purposes of the injured patients and families compensation fund the purposes of ensuring the availability of health care providers in Wisconsin and of enabling the deployment of health care information systems technology for health care quality, safety, and efficiency, by the Health Care Quality and Patient Safety Board (HCQPSB), as created in the bill.

STATE GOVERNMENT

STATE FINANCE

This bill creates a program to issue revenue obligations to fund costs associated with the reform of the Medical Assistance program. Under the bill, funds for the program may not exceed \$125,000,000. The bill provides that the principal and interest costs on the revenue obligations are to be paid from excise taxes that are currently imposed on the sale of liquor, fermented malt beverages, cigarettes, and tobacco products. These taxes are to be deposited into the excise tax fund, a fund under current law that can be used for any revenue obligations issued to pay the state's unfunded prior service liability under the Wisconsin Retirement System (WRS). To dedicate moneys in the excise tax fund for the payment of these grants, the bill eliminates the state's authority to issue revenue obligations secured by tax revenues derived from the sale of liquor, fermented malt beverages, cigarettes, and tobacco products for the payment of the state's unfunded prior liability under the WRS. Obligations for this purpose have already been issued under other current law authority.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 15.07 (2) (b) of the statutes is repealed.

2 **SECTION 2.** 15.07 (2) (n) of the statutes is created to read:

3 15.07 (2) (n) The chairperson of the health care quality and patient safety board
4 shall be designated biennially by the governor.

SECTION 3. 15.07 (3) (bm) 1. of the statutes is repealed.

SECTION 4. 15.105 (13) of the statutes is created to read:

15.105 (13) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD. (a) *Creation; membership.* There is created a health care quality and patient safety board, attached to the department of administration under s. 15.03, consisting of the following members:

1. The secretary of health and family services, the secretary of employee trust funds, and the secretary of administration or their designees.

2. One physician, as defined in s. 448.01 (5).

3. One representative of hospitals.

4. One employer purchaser of health care.

5. One representative of the insurance industry.

6. One representative of health maintenance organizations, as defined in s. 609.01 (2).

7. One member who shall represent the public interest.

(b) *Terms.* The board members specified in par. (a) 2. to 7. shall be appointed for 4-year terms.

SECTION 5. 15.195 (6) of the statutes is repealed.

SECTION 6. 16.03 (3) of the statutes is amended to read:

16.03 (3) REPORT. The interagency coordinating council shall report at least twice annually to the health care quality and patient safety board ~~on health care information~~ in the department of health and family services administration, concerning the council's activities under this section.

SECTION 7. 16.526 (title) of the statutes is repealed and recreated to read:

1 **16.526 (title) Revenue obligation program to fund costs associated**
2 **with the reform of the Medical Assistance program.**

3 **SECTION 8.** 16.526 (1) of the statutes is amended to read:

4 16.526 (1) For purposes of subch. II of ch. 18, the purposes of obtaining proceeds
5 to pay the state's anticipated unfunded prior service liability under s. 40.05 (2) (b)
6 and of paying the state's unfunded prior service liability under s. 40.05 (2) (b) and the
7 state's unfunded liability under s. 40.05 (4) (b), (be), and (bw) and subch. IX of ch. 40
8 fund costs associated with the reform of the Medical Assistance program is a special
9 fund program, and the excise tax fund is a special fund. The legislature finds and
10 determines that the excise tax fund is a segregated fund consisting of fees, penalties,
11 or excise taxes and that the special state program to pay the state's unfunded prior
12 service liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05
13 (4) (b), (be), and (bw) and subch. IX of ch. 40 fund costs associated with the reform
14 of the Medical Assistance program from the net proceeds of revenue obligations
15 issued under this section is appropriate and will serve a public purpose.

16 **SECTION 9.** 16.526 (2) of the statutes is amended to read:

17 16.526 (2) The net proceeds of revenue obligations issued under subch. II of ch.
18 18, as authorized under this section, shall be deposited in a fund in the state treasury,
19 or an account maintained by a trustee, created under s. 18.57 (1). The moneys shall
20 be applied for ancillary payments and for the provision of reserves, as determined
21 by the building commission, and for the payment of part or all of the state's unfunded
22 prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under
23 s. 40.05 (4) (b), (be), and (bw) and subch. IX of ch. 40, as determined by the
24 department, costs associated with the reform of the Medical Assistance program, and

1 any remainder shall be paid into ~~a retirement liability~~ an excise tax revenue
2 obligation redemption fund created under 18.562 (3).

3 **SECTION 10.** 16.526 (5) (b) of the statutes is amended to read:

4 16.526 (5) (b) Except as otherwise provided in this paragraph, the secretary
5 shall determine the requirements for funds to be obtained from revenue obligations
6 issued under this section to pay the state's ~~anticipated unfunded prior service~~
7 ~~liability under s. 40.05 (2) (b) and funds used for the payment of the state's unfunded~~
8 ~~prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under~~
9 ~~s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, that are to be paid from revenue~~
10 ~~obligations issued under this section, shall be determined by the secretary~~ costs
11 associated with the reform of the Medical Assistance program. The ~~sum~~ amount of
12 expenditures to be paid from revenue obligations issued under this section and
13 ~~appropriation obligations issued under s. 16.527, if any, excluding any appropriation~~
14 ~~revenue obligations that have been defeased under a cash optimization program~~
15 ~~administered by the building commission and any appropriation obligations issued~~
16 ~~pursuant to s. 16.527 (3) (b) 3., shall not exceed \$1,500,000,000~~ \$125,000,000.

17 **SECTION 11.** 16.526 (5) (c) of the statutes is created to read:

18 16.526 (5) (c) For the purpose of s. 18.58 (4), the department is carrying out
19 program responsibilities for which the revenue obligations are authorized under this
20 section.

21 **SECTION 12.** 16.527 (3) (b) 2. of the statutes is amended to read:

22 16.527 (3) (b) 2. The sum of appropriation obligations issued under this section,
23 excluding any obligations that have been defeased under a cash optimization
24 program administered by the building commission and any obligations issued

1 pursuant to subd. 3., ~~and revenue obligations issued under s. 16.526, if any,~~ may not
2 exceed \$1,500,000,000.

3 **SECTION 13.** 18.55 (5) of the statutes is amended to read:

4 18.55 (5) EXERCISE OF AUTHORITY. Money may be borrowed and evidences of
5 revenue obligation issued therefor pursuant to one or more authorizing resolutions,
6 unless otherwise provided in the resolution or in this subchapter, at any time and
7 from time to time, for any combination of purposes, in any specific amounts, at any
8 rates of interest, for any term, payable at any intervals, at any place, in any manner
9 and having any other terms or conditions deemed necessary or useful. Revenue
10 obligation bonds may bear interest at variable or fixed rates, bear no interest or bear
11 interest payable only at maturity or upon redemption prior to maturity. Unless
12 sooner exercised or unless a ~~shorter~~ different period is provided in the resolution,
13 every authorizing resolution, except as provided in s. 18.59 (1), shall expire one year
14 after the date of its adoption.

15 **SECTION 14.** 18.61 (5) of the statutes is amended to read:

16 18.61 (5) The legislature may provide, with respect to any specific issue of
17 revenue obligations, prior to their issuance, that if the special fund income or the
18 enterprise or program income pledged to the payment of the principal and interest
19 of the issue is insufficient for that purpose, or is insufficient to replenish a reserve
20 fund, if applicable, it will consider supplying the deficiency by appropriation of funds,
21 from time to time, out of the treasury. If the legislature so provides, the commission
22 may make the necessary provisions therefor in the authorizing resolution and other
23 proceedings of the issue. Thereafter, if the contingency occurs, recognizing its moral
24 obligation to do so, the legislature hereby expresses its expectation and aspiration
25 that it shall make such appropriation.

1 **SECTION 15.** 20.435 (4) (hg) of the statutes is renumbered 20.435 (1) (hg) and
2 amended to read:

3 20.435 (1) (hg) *General program operations; health care information.* The
4 amounts in the schedule to fund the activities of the department of health and family
5 services ~~and the board on health care information~~ under ch. 153. The contract fees
6 paid under s. 153.05 (6m) and assessments paid under s. 153.60, less \$250,000 in
7 assessments paid in each fiscal year, shall be credited to this appropriation account.

 ****NOTE: This is reconciled s. 20.435 (4) (hg). This SECTION has been affected by
 drafts with the following LRB numbers: LRB-0316/2 and LRB-1649/3.

8 **SECTION 16.** 20.435 (4) (r) of the statutes is created to read:

9 20.435 (4) (r) *Health care quality improvement fund; Medical Assistance*
10 *reform.* From the health care quality improvement fund, as a continuing
11 appropriation, the amounts in the schedule to provide a portion of the state share of
12 Medical Assistance program benefits administered under s. 49.45, to provide a
13 portion of the Medical Assistance program benefits administered under s. 49.45 that
14 are not also provided under par. (o), to fund the pilot project under s. 46.27 (9) and
15 (10), to provide a portion of the facility payments under 1999 Wisconsin Act 9, section
16 9123 (9m), to fund services provided by resource centers under s. 46.283, and for
17 services under the family care benefit under s. 46.284 (5).

 ****NOTE: This SECTION involves a change in an appropriation that must be
 reflected in the revised schedule in s. 20.005, stats.

18 **SECTION 17.** 20.435 (4) (rm) of the statutes is created to read:

19 20.435 (4) (rm) *Health care quality improvement fund; hospital supplemental*
20 *payments.* From the health care quality improvement fund, the amounts in the
21 schedule to provide payments for direct graduate medical education, a major
22 managed care supplement, a pediatric services supplement, rural hospital

1 supplements under s. 49.45 (5m) (am), and an essential access city hospital under
2 s. 49.45 (6x) (a).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

3 **SECTION 18.** 20.505 (1) (sd) of the statutes is amended to read:

4 20.505 (1) (sd) *Revenue obligation proceeds to pay the state's unfunded liability*
5 *under the Wisconsin Retirement System fund costs associated with the reform of the*
6 *Medical Assistance program.* As a continuing appropriation, all proceeds from
7 revenue obligations that are issued under subch. II of ch. 18, as authorized under s.
8 16.526, and deposited in a fund in the state treasury, or in an account maintained by
9 a trustee, created under s. 18.57 (1), as authorized under s. 16.526 (2), to pay part
10 or all of the state's unfunded prior service liability under s. 40.05 (2) (b) and the state's
11 unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, as
12 determined by the department of administration be transferred to the health care
13 quality improvement fund, and to provide for reserves and to make ancillary
14 payments, as determined by the building commission, and the remainder to be
15 transferred to ~~a retirement liability~~ an excise tax revenue obligation redemption
16 fund created under s. 18.562 (3). Estimated disbursements under this paragraph
17 shall not be included in the schedule under s. 20.005.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

18 **SECTION 19.** 20.505 (1) (sh) of the statutes is amended to read:

19 20.505 (1) (sh) *Excise tax fund — revenue obligation repayment.* From the
20 excise tax fund, a sum sufficient to pay ~~a retirement liability~~ an excise tax revenue
21 obligation redemption fund created under s. 18.562 (3) the amount needed to pay the
22 principal of and premium, if any, and interest on revenue obligations issued under

1 subch. II of ch. 18, as authorized under s. 16.526, and to make ancillary payments
2 authorized by the authorizing resolution for the revenue obligations. Estimated
3 disbursements under this paragraph shall not be included in the schedule under s.
4 20.005.

5 **SECTION 20.** 20.505 (1) (sm) of the statutes is amended to read:

6 20.505 (1) (sm) *Excise tax fund — provision of reserves and payment of ancillary*
7 *costs relating to revenue obligations.* From the excise tax fund, a sum sufficient to
8 provide for reserves and for ancillary payments relating to revenue obligations
9 issued under subch. II of ch. 18, as authorized under s. 16.526 and the resolution
10 authorizing the revenue obligations. Estimated disbursements under this
11 paragraph shall not be included in the schedule under s. 20.005.

12 **SECTION 21.** 20.505 (1) (sp) of the statutes is amended to read:

13 20.505 (1) (sp) *Revenue obligation debt service.* From ~~a retirement liability~~ an
14 excise tax revenue obligation redemption fund created under s. 18.562 (3), all moneys
15 received by the fund for the payment of principal of and premium, if any, and interest
16 on revenue obligations issued under subch. II of ch. 18, as authorized under s. 16.526,
17 and for ancillary payments authorized by the authorizing resolution for the revenue
18 obligations. All moneys received by the fund are irrevocably appropriated in
19 accordance with subch. II of ch. 18 and further established in resolutions authorizing
20 the issuance of the revenue obligations under. s. 16.526 and setting forth the
21 distribution of funds to be received thereafter. Estimated disbursements under this
22 paragraph shall not be included in the schedule under s. 20.005.

23 **SECTION 22.** 20.505 (4) (i) of the statutes is created to read:

1 20.505 (4) (i) *Health care quality and patient safety board; gifts and grants.* All
2 money received from gifts, grants, bequests, and devises to the health care quality
3 and patient safety board, for the purposes for which made.

 ****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

4 **SECTION 23.** 20.505 (4) (q) of the statutes is created to read:

5 20.505 (4) (q) *Health care quality and patient safety board; general program*
6 *operations.* Biennially, from the health care quality improvement fund, the amounts
7 in the schedule for general program operations of the health care quality and patient
8 safety board.

 ****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

9 **SECTION 24.** 20.505 (4) (qb) of the statutes is created to read:

10 20.505 (4) (qb) *Health care quality and patient safety board; grants or loans.*
11 As a continuing appropriation, from the health care quality improvement fund, the
12 amounts in the schedule for grants or loans under s. 153.076.

 ****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

13 **SECTION 25.** 25.17 (1) (gd) of the statutes is created to read:

14 25.17 (1) (gd) Health care quality improvement fund (s. 25.775);

15 **SECTION 26.** 25.775 of the statutes is created to read:

16 **25.775 Health care quality improvement fund.** There is created a
17 separate nonlapsible trust fund designated as the health care quality improvement
18 fund, consisting of all of the following:

19 **(1)** All moneys transferred under 2005 Wisconsin Act (this act), section 9225

20 (1).

21 **(2)** All moneys received from s. 20.505 (1) (sd).

1 (3) In each fiscal year, \$250,000 of the assessments paid under s. 153.60.

2 (4) Repayment of any loans made under s. 153.076 (2).

3 **SECTION 27.** 46.27 (9) (a) of the statutes is amended to read:

4 46.27 (9) (a) The department may select up to 5 counties that volunteer to
5 participate in a pilot project under which they will receive certain funds allocated for
6 long-term care. The department shall allocate a level of funds to these counties
7 equal to the amount that would otherwise be paid under s. 20.435 (4) (b), (gp), (r), or
8 (w) to nursing homes for providing care because of increased utilization of nursing
9 home services, as estimated by the department. In estimating these levels, the
10 department shall exclude any increased utilization of services provided by state
11 centers for the developmentally disabled. The department shall calculate these
12 amounts on a calendar year basis under sub. (10).

13 **SECTION 28.** 46.27 (10) (a) 1. of the statutes is amended to read:

14 46.27 (10) (a) 1. The department shall determine for each county participating
15 in the pilot project under sub. (9) a funding level of state medical assistance
16 expenditures to be received by the county. This level shall equal the amount that the
17 department determines would otherwise be paid under s. 20.435 (4) (b), (gp), (r), or
18 (w) because of increased utilization of nursing home services, as estimated by the
19 department.

20 **SECTION 29.** 46.275 (5) (a) of the statutes is amended to read:

21 46.275 (5) (a) Medical Assistance reimbursement for services a county, or the
22 department under sub. (3r), provides under this program is available from the
23 appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), and (w). If 2 or more
24 counties jointly contract to provide services under this program and the department

1 approves the contract, Medical Assistance reimbursement is also available for
2 services provided jointly by these counties.

3 **SECTION 30.** 46.275 (5) (c) of the statutes is amended to read:

4 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (gp), (o), (r), and (w)
5 to counties and to the department under sub. (3r) for services provided under this
6 section may not exceed the amount approved by the federal department of health and
7 human services. A county may use funds received under this section only to provide
8 services to persons who meet the requirements under sub. (4) and may not use
9 unexpended funds received under this section to serve other developmentally
10 disabled persons residing in the county.

11 **SECTION 31.** 46.278 (6) (d) of the statutes is amended to read:

12 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
13 share of service costs under a waiver received under sub. (3), the department may,
14 from the appropriation under s. 20.435 (4) (o), provide reimbursement for services
15 that the county provides under this section to persons who are in addition to those
16 who may be served under this section with funds from the appropriation under s.
17 20.435 (4) (b), (r), or (w).

18 **SECTION 32.** 46.283 (5) of the statutes is amended to read:

19 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),
20 (bm), (gp), (pa), (r), and (w) and (7) (b), (bd), and (md), the department may contract
21 with organizations that meet standards under sub. (3) for performance of the duties
22 under sub. (4) and shall distribute funds for services provided by resource centers.

23 **SECTION 33.** 46.284 (5) (a) of the statutes is amended to read:

24 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g), (gp),
25 (im), (o), (r), and (w) and (7) (b) and (bd), the department shall provide funding on a

1 capitated payment basis for the provision of services under this section.
2 Notwithstanding s. 46.036 (3) and (5m), a care management organization that is
3 under contract with the department may expend the funds, consistent with this
4 section, including providing payment, on a capitated basis, to providers of services
5 under the family care benefit.

6 **SECTION 34.** 49.45 (2) (a) 17. of the statutes is amended to read:

7 49.45 (2) (a) 17. Notify the governor, the joint committee on legislative
8 organization, the joint committee on finance, and appropriate standing committees,
9 as determined by the presiding officer of each house, if the appropriation accounts
10 under s. 20.435 (4) (b) ~~and, (gp), and (r)~~ are insufficient to provide the state share of
11 medical assistance.

12 **SECTION 35.** 49.45 (5m) (am) of the statutes is amended to read:

13 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriation accounts
14 under s. 20.435 (4) ~~(b), (gp), (o), and (w)~~ (rm), the department shall distribute not
15 more than \$2,256,000 in each fiscal year, to provide supplemental funds to rural
16 hospitals that, as determined by the department, have high utilization of inpatient
17 services by patients whose care is provided from governmental sources, and to
18 provide supplemental funds to critical access hospitals, except that the department
19 may not distribute funds to a rural hospital or to a critical access hospital to the
20 extent that the distribution would exceed any limitation under 42 USC 1396b (i) (3).

21 **SECTION 36.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

22 49.45 (6m) (ag) (intro.) Payment for care provided in a facility under this
23 subsection made under s. 20.435 (4) (b), (gp), (pa), (o), (r), (w), or (wm) shall, except
24 as provided in pars. (bg), (bm), and (br), be determined according to a prospective
25 payment system updated annually by the department. The payment system shall

1 implement standards that are necessary and proper for providing patient care and
2 that meet quality and safety standards established under subch. II of ch. 50 and ch.
3 150. The payment system shall reflect all of the following:

4 **SECTION 37.** 49.45 (6v) (b) of the statutes is amended to read:

5 49.45 (6v) (b) The department shall, each year, submit to the joint committee
6 on finance a report for the previous fiscal year, ~~except for the 1997-98 fiscal year,~~ that
7 provides information on the utilization of beds by recipients of medical assistance in
8 facilities and a discussion and detailed projection of the likely balances,
9 expenditures, encumbrances, and carry over of currently appropriated amounts in
10 the appropriation accounts under s. 20.435 (4) (b), (gp), ~~and (o), and (r).~~

11 **SECTION 38.** 49.45 (6x) (a) of the statutes is amended to read:

12 49.45 (6x) (a) Notwithstanding sub. (3) (e), from the appropriation accounts
13 under s. 20.435 (4) (b), ~~(gp), (o), and (w) (rm),~~ the department shall distribute not
14 more than \$4,748,000 \$6,248,000 in each fiscal year, to provide funds to an essential
15 access city hospital, except that the department may not allocate funds to an
16 essential access city hospital to the extent that the allocation would exceed any
17 limitation under 42 USC 1396b (i) (3).

18 **SECTION 39.** 49.45 (6y) (a) of the statutes is amended to read:

19 49.45 (6y) (a) Notwithstanding sub. (3) (e), from the appropriation accounts
20 under s. 20.435 (4) (b), (gp), (o), (r), and (w), the department shall distribute funding
21 in each fiscal year to provide supplemental payment to hospitals that enter into a
22 contract under s. 49.02 (2) to provide health care services funded by a relief block
23 grant, as determined by the department, for hospital services that are not in excess
24 of the hospitals' customary charges for the services, as limited under 42 USC 1396b
25 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of

1 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the
2 department may distribute funds to hospitals that have not entered into a contract
3 under s. 49.02 (2).

4 **SECTION 40.** 49.45 (6y) (am) of the statutes is amended to read:

5 49.45 (6y) (am) Notwithstanding sub. (3) (e), from the appropriation accounts
6 under s. 20.435 (4) (b), (h), (gp), (o), (r), and (w), the department shall distribute
7 funding in each fiscal year to provide supplemental payments to hospitals that enter
8 into contracts under s. 49.02 (2) with a county having a population of 500,000 or more
9 to provide health care services funded by a relief block grant, as determined by the
10 department, for hospital services that are not in excess of the hospitals' customary
11 charges for the services, as limited under 42 USC 1396b (i) (3).

12 **SECTION 41.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

13 49.45 (6z) (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation
14 accounts under s. 20.435 (4) (b), (gp), (o), (r), and (w), the department shall distribute
15 funding in each fiscal year to supplement payment for services to hospitals that enter
16 into a contract under s. 49.02 (2) to provide health care services funded by a relief
17 block grant under this chapter, if the department determines that the hospitals serve
18 a disproportionate number of low-income patients with special needs. If no medical
19 relief block grant under this chapter is awarded or if the allocation of funds to such
20 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
21 may distribute funds to hospitals that have not entered into a contract under s. 49.02
22 (2). The department may not distribute funds under this subsection to the extent
23 that the distribution would do any of the following:

24 **SECTION 42.** 49.45 (8) (b) of the statutes is amended to read:

1 49.45 (8) (b) Reimbursement under s. 20.435 (4) (b), (gp), (o), (r), and (w) for
2 home health services provided by a certified home health agency or independent
3 nurse shall be made at the home health agency's or nurse's usual and customary fee
4 per patient care visit, subject to a maximum allowable fee per patient care visit that
5 is established under par. (c).

6 **SECTION 43.** 49.45 (24m) (intro.) of the statutes is amended to read:

7 49.45 (24m) HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.)
8 From the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), and (w), in order
9 to test the feasibility of instituting a system of reimbursement for providers of home
10 health care and personal care services for medical assistance recipients that is based
11 on competitive bidding, the department shall:

12 **SECTION 44.** 49.472 (6) (a) of the statutes is amended to read:

13 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation account
14 under s. 20.435 (4) (b), (gp), (r), or (w), the department shall, on the part of an
15 individual who is eligible for medical assistance under sub. (3), pay premiums for or
16 purchase individual coverage offered by the individual's employer if the department
17 determines that paying the premiums for or purchasing the coverage will not be more
18 costly than providing medical assistance.

19 **SECTION 45.** 49.472 (6) (b) of the statutes is amended to read:

20 49.472 (6) (b) If federal financial participation is available, from the
21 appropriation account under s. 20.435 (4) (b), (gp), (r), or (w), the department may
22 pay ~~medicare~~ Medicare Part A and Part B premiums for individuals who are eligible
23 for ~~medicare~~ Medicare and for medical assistance under sub. (3).

24 **SECTION 46.** 49.473 (5) of the statutes is amended to read:

1 49.473 (5) The department shall audit and pay, from the appropriation
2 accounts under s. 20.435 (4) (b), (gp), ~~and (o), and (r)~~ allowable charges to a provider
3 who is certified under s. 49.45 (2) (a) 11. for ~~medical assistance~~ Medical Assistance
4 on behalf of a woman who meets the requirements under sub. (2) for all benefits and
5 services specified under s. 49.46 (2).

6 **SECTION 47.** 153.01 (2) of the statutes is amended to read:

7 153.01 (2) “Board” means the health care quality and patient safety board ~~on~~
8 ~~health care information.~~

9 **SECTION 48.** 153.05 (2m) (d) of the statutes is created to read:

10 153.05 (2m) (d) By April 1, annually, the entity under contract under par. (a)
11 shall report to the board concerning the fulfillment of the entity’s obligations under
12 the contract.

13 **SECTION 49.** 153.07 (5) of the statutes is created to read:

14 153.07 (5) By January 1, 2006, and at least annually thereafter, the board shall
15 report to the governor on the plans, activities, accomplishments, and
16 recommendations of the board.

17 **SECTION 50.** 153.07 (6) of the statutes is created to read:

18 153.07 (6) The board shall annually assess the extent to which automated
19 information and decision support systems are used by health care providers in this
20 state.

21 **SECTION 51.** 153.07 (7) of the statutes is created to read:

22 153.07 (7) The board shall annually assess options and develop a plan and
23 specific strategies to achieve automation of all health care systems in the state by
24 2010 or as soon as practicable.

25 **SECTION 52.** 153.07 (8) of the statutes is created to read:

1 153.07 (8) The board shall administer the health care quality improvement
2 fund.

3 **SECTION 53.** 153.07 (9) of the statutes is created to read:

4 153.07 (9) The board may accept gifts, grants, bequests, and devises to be used
5 in the execution of its functions.

6 **SECTION 54.** 153.076 of the statutes is created to read:

7 **153.076 Grants and loans.** (1) In this section:

8 (a) “Clinic” means a place, other than a residence, that is used primarily for the
9 provision of nursing, medical, podiatric, dental, chiropractic, or optometric care and
10 treatment.

11 (b) “Health maintenance organization” has the meaning given in s. 609.01 (2).

12 (c) “Hospital” has the meaning given in s. 50.33 (2).

13 (d) “Physician” has the meaning given in s. 448.01 (5).

14 (2) (a) From the appropriation under s. 20.505 (4) (qb), the board may make
15 grants or loans, under procedures and criteria determined by the board, to clinics,
16 health maintenance organizations, or other health care systems, hospitals, or
17 physicians for any of the following projects:

18 1. Installation of computer–assisted physician order entry, electronic medical
19 records, or other information system infrastructure, including clinical decision
20 support systems, to improve the quality, safety, and efficiency of patient care.

21 2. Development of health information exchanges and interoperable systems to
22 facilitate the reporting of quality, safety, and efficiency information for purposes of
23 health care system improvement or related purposes by informing consumers and
24 health care purchasers.

^ integrated health care data
repositories ^

3. Demonstration, through pilot projects, of rapid cycle improvement in quality, safety, and efficiency of care.

4. Facilitation of group purchases of medical technology systems by assisting health care providers in forming collaborative agreements for technology.

(b) Repayment of any loans made under par. (a) shall be deposited into the health care quality improvement fund.

INSERT 20-6

SECTION 55. 153.76 of the statutes is amended to read:

153.76 Rule-making by the independent review board.

Notwithstanding s. 15.01 (1r), the independent review board may promulgate only those rules that are first reviewed and approved by the health care quality and patient safety board on health care information.

SECTION 56. 231.03 (intro.) of the statutes is amended to read:

231.03 Powers. (intro.) The authority has all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter. In addition to all other powers granted by this chapter, subject to s. 231.035 the authority may:

SECTION 57. 231.035 of the statutes is created to read:

231.035 Health care quality and patient safety board approval.

Beginning on the effective date of this section [revisor inserts date], the authority may not provide any financial assistance to a health facility, hospital, or participating health institution unless the health facility, hospital, or participating health institution demonstrates to the health care quality and patient safety board that it is making efforts to improve medical technology.

SECTION 58. 655.27 (6) of the statutes is amended to read:

1 655.27 (6) PURPOSE AND INTEGRITY OF FUND. The fund is established to ensure
2 the availability of health care providers in this state, to curb the rising costs of health
3 care by financing part of the liability incurred by health care providers as a result
4 of medical malpractice claims and, to ensure that proper claims are satisfied, and to
5 enable the deployment of health care information systems technology for health care
6 quality, safety, and efficiency, as specified in s. 153.076 (2). The fund, including any
7 net worth of the fund, is held in irrevocable trust for the sole benefit of health care
8 providers participating in the fund and proper claimants and for the deployment of
9 health care information systems technology for health care quality, safety, and
10 efficiency by the health care quality and patient safety board. Moneys in the fund
11 may not be used for any other purpose of the state.

12 **SECTION 9101. Nonstatutory provisions; administration.**

13 (1) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; INITIAL APPOINTMENTS.
14 Notwithstanding the length of terms specified in section 15.105 (13) (b) of the
15 statutes, as created by this act, the initial members of the health care quality and
16 patient safety board shall be appointed by the first day of the 4th month beginning
17 after the effective date of this subsection for the following terms:

18 (a) The representative of hospitals, the employer purchaser of health care, and
19 the representative of the insurance industry, for terms expiring on May 1, 2009.

20 (b) The physician, the representative of health maintenance organizations, and
21 the member who represents the public interest, for terms expiring on May 1, 2011.

22 (2) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; STUDY OF PHYSICIAN
23 INFORMATION DATABASE. By March 1, 2006, the health care quality and patient safety
24 board shall study and make recommendations to the governor concerning the

1 feasibility of creating a centralized physician information database, including
2 through a joint public and private effort.

3 (3) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; STUDY OF RULES. By October
4 1, 2006, the health care quality and patient safety board shall study and make
5 recommendations to the governor concerning the rules required and authorized to
6 be promulgated by the department of health and family services under section
7 153.75 of the statutes.

INSERT 22-7

8 (4) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; PLAN AND STRATEGIES. By
9 January 1, 2007, develop a plan and specific strategies, including awarding grants
10 or making loans under section 153.076 (2) of the statutes, as created by this act, to
11 deploy health care information systems technology for health care quality, safety,
12 and efficiency, within a reasonable time and using reasonable financial investments.
13 The plan shall consider the extent to which an integrated or interoperable system or
14 underlying technology may be most cost effective, including by assessing benefits of
15 the system for supporting rapid deployment for supporting medical care
16 practitioners, promoting accurate and appropriate shared information about
17 individual patients among health care providers, standardizing performance
18 indicators among health care provider organizations to improve organization
19 performance, and public reporting of quality, safety, and efficiency data for consumer
20 and health care purchaser decision making.

21 **SECTION 9121. Nonstatutory provisions; health and family services.**

22 (1) TRANSFER OF FUNCTIONS OF THE BOARD ON HEALTH CARE INFORMATION.

23 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
24 liabilities of the department of health and family services primarily related to the
25 functions of the board on health care information, as determined by the secretary of

do all of the following (a)

1 administration, shall become the assets and liabilities of the department of
2 administration.

3 (b) *Position and employee transfers.* All incumbent employees holding
4 positions in the department of health and family services performing duties
5 primarily related to the functions of the board on health care information, as
6 determined by the secretary of administration, are transferred on the effective date
7 of this paragraph to the department of administration.

8 (c) *Employee status.* Employees transferred under paragraph (b) have all the
9 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
10 statutes in the department of administration that they enjoyed in the department
11 of health and family services immediately before the transfer. Notwithstanding
12 section 230.28 (4) of the statutes, no employee so transferred who has attained
13 permanent status in class is required to serve a probationary period.

14 (d) *Tangible personal property.* On the effective date of this paragraph, all
15 tangible personal property, including records, of the department of health and family
16 services that is primarily related to the functions of the board on health care
17 information, as determined by the secretary of administration, is transferred to the
18 department of administration.

19 (e) *Contracts.* 1. All contracts entered into by the board on health care
20 information in effect on the effective date of this subdivision remain in effect and are
21 transferred to the health care quality and patient safety board. The health care
22 quality and patient safety board shall carry out any obligations under such a contract
23 until the contract is modified or rescinded by the health care quality and patient
24 safety board to the extent allowed under the contract.

1 2. All contracts entered into by the department of health and family services
2 in effect on the effective date of this subdivision that are primarily related to the
3 functions of the board on health care information, as determined by the secretary of
4 administration, remain in effect and are transferred to the department of
5 administration. The department of administration shall carry out any obligations
6 under such a contract until the contract is modified or rescinded by the department
7 of administration to the extent allowed under the contract.

8 (f) *Rules and orders.* ~~§~~ All rules promulgated by the board on health care
9 information that are in effect on the effective date of this subdivision remain in effect
10 until their specified expiration date or until amended or repealed by the health care
11 quality and patient safety board.

12 2. All rules promulgated by the department of health and family services that
13 are primarily related to the functions of the board on health care information, as
14 determined by the secretary of administration, that are in effect on the effective date
15 of this subdivision remain in effect until their specified expiration date or until
16 amended or repealed by the department of administration. All orders issued by the
17 department of health and family services that are primarily related to the functions
18 of the board on health care information, as determined by the secretary of
19 administration, that are in effect on the effective date of this subdivision remain in
20 effect until their specified expiration date or until amended or repealed by the
21 department of administration.

22 (g) *Pending matters.* Any matter pending with the board on health care
23 information on the effective date of this paragraph is transferred to the health care
24 quality and patient safety board and all materials submitted to or actions taken by
25 the board on health care information with respect to the pending matter are

1 considered as having been submitted to or taken by the health care quality and
2 patient safety board.

3 (2) HEALTH CARE INFORMATION; RULE MAKING. Notwithstanding the requirement
4 and authorization for the department of health and family services to promulgate
5 rules under section 153.75 of the statutes, before July 1, 2007, the department of
6 health and family services may promulgate under section 153.75 of the statutes only
7 rules that are first approved by the health care quality and patient safety board.

8 **SECTION 9225. Appropriation changes; insurance.**

9 (1) HEALTH CARE QUALITY IMPROVEMENT FUND. There is transferred from the
10 injured patients and families compensation fund to the health care quality
11 improvement fund \$140,286,000 in fiscal year 2005–06 and \$9,714,000 in fiscal year
12 2006–07.

13 **SECTION 9401. Effective dates; administration.**

14 (1) CREATION OF HEALTH CARE QUALITY AND PATIENT SAFETY BOARD. The treatment
15 of sections 15.07 (2) (n), 15.105 (13), 153.05 (2m) (d), 153.07 (5) to (9), 153.076, 231.03,
16 and 231.035 of the statutes and SECTION 9101 (1), (2), (3), and (4) of this act take effect
17 on October 1, 2005.

18 **SECTION 9421. Effective dates; health and family services.**

19 (1) ELIMINATION OF BOARD ON HEALTH CARE INFORMATION. The treatment of
20 sections 15.07 (2) (b) and (3) (bm) 1., 15.195 (6), 16.03 (3), 20.435 (4) (hg), 153.01 (2),
21 and 153.76 of the statutes and SECTION 9121 (1) and (2) of this act take effect on
22 October 1, 2005.

23 (END)

D-NOTE

2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1649/6ins
DAK/PJK/RAC/MJL:wlj:rs

INSERT ANAL

The bill prohibits DHFS from enforcing rules promulgated before the effective date of this bill as an act that relate to the collection from physicians of workforce and practice information, health care plan affiliations, and hospital privileges, and from dentists, chiropractors, and podiatrists, of workforce and practice information. Beginning July 1, 2007, the bill also prohibits DHFS from enforcing rules promulgated before that date relating to physician claims data. DHFS may only promulgate rules relating to the collection and dissemination of health care information that are first approved by HCQPSB.

that
relate

INSERT 20-6

1 **SECTION ~~15~~ 153.75** (title) of the statutes is amended to read:

2 **153.75** (title) **Rule making and enforcement.**

History: 1987 a. 399; 1989 a. 18; 1993 a. 16; 1997 a. 27, 231; 2003 a. 33.

3 **SECTION ~~24~~ 153.75** (3) of the statutes is created to read:

4 **153.75 (3)** Notwithstanding sub. (1) (a), (b), (f), (m), (n), (o), (s), (t), and (u) and
5 ss. 153.05 (1), (5), and (8) and 153.45, after June 30, 2007, the department may not
6 enforce rules promulgated under this chapter before July 1, 2007, relating to claims
7 data to be submitted by physicians, to procedures for verification, review, and
8 comment on the claims data, to adjustment of the data, and to waiver of the data
9 submission requirement.

10 **SECTION ~~34~~ 153.75** (4) of the statutes is created to read:

11 **153.75 (4)** Notwithstanding sub. (1) (a), (b), (f), (m), (n), (o), (q), (t), and (u), and
12 ss. 153.05 (1), (5) and (8), 153.21, and 153.45, after the effective date of this
13 subsection [revisor inserts date], the department may not enforce rules
14 promulgated under this chapter before the effective date of this subsection [revisor
15 inserts date], relating to any of the following:

1 (a) The collection, from physicians, of health care plan affiliations and updating
2 information, hospital privileges updating information, and workforce and practice
3 information.

4 (b) The collection, from dentists, chiropractors, and podiatrists, of workforce
5 and practice information.

6 (c) Procedures for verification, review, and comment on the information
7 specified under pars. (a) and (b), to adjustment of the information, and to waiver of
8 the information collection requirement.

9 **SECTION ~~153.75~~ 153.75** (5) of the statutes is created to read:

10 153.75 (5) After the effective date of this subsection [revisor inserts date],
11 notwithstanding ss. 227.10 (1) and ~~273.11~~ (2) (a) and (d), the department may
12 promulgate under this chapter only rules that are first approved by the health care
13 quality and patient safety board.

INSERT 22-7

14 (b) Promote the collection and availability of information regarding the quality
15 and price of health care required to enable consumers and health care purchasers to
16 make wise health care choices.

17 (c) Foster the creation and evolution of public-private health care
18 partnerships, agreements on standard health care data sets and reporting protocols,
19 and transparency of health care information for purchasing purposes, including the
20 development of an integrated health care data repository.

21

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1649/6dn
DAK/PJK/RAC/MJL:wjl:rs

To Jim Johnston and Robert Blaine:

This redraft continues to reconcile LRB-1837, LRB-1649/3, LRB-0316/2, and LRB-0941/4. LRB-0941 has dropped out of the compiled bill. LRB-1649, LRB-1837, and LRB-0316 should all continue to appear in the compiled bill.

In this redraft, I have authorized DHFS to promulgate only those rules relating to the collection and dissemination of health care information (under ch. 153, stats.) that are first approved by the health care quality and patient safety board. This approval by the board was formerly slated to be a requirement as of July 1, 2007, but I made it immediate to prevent DHFS from promulgating the rules specified in s. 153.75 (4) after the bill's effective date but before July 1, 2007. It will mean that there will be a period, before the board is constituted, when DHFS can't promulgate any rules under ch. 153. Please review.

stats

Debora A. Kennedy
Managing Attorney
Phone: (608) 266-0137
E-mail: debora.kennedy@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1649/6dn

DAK:wlj:rs

January 28, 2005

To Jim Johnston and Robert Blaine:

This redraft continues to reconcile LRB-1837/2, LRB-1649/3, LRB-0316/2, and LRB-0941/4. LRB-0941 has dropped out of the compiled bill. LRB-1649, LRB-1837, and LRB-0316 should all continue to appear in the compiled bill.

In this redraft, I have authorized DHFS to promulgate only those rules relating to the collection and dissemination of health care information (under ch. 153, stats.) that are first approved by the Health Care Quality and Patient Safety Board. This approval by the board was formerly slated to be a requirement as of July 1, 2007, but I made it immediate to prevent DHFS from promulgating the rules specified in proposed s. 153.75 (4) after the bill's effective date but before July 1, 2007. It will mean that there will be a period, before the board is constituted, when DHFS can't promulgate any rules under ch. 153, stats. Please review.

Debora A. Kennedy
Managing Attorney
Phone: (608) 266-0137
E-mail: debora.kennedy@legis.state.wi.us

Kennedy, Debora

From: Johnston, James
Sent: Monday, January 31, 2005 11:23 AM
To: Champagne, Rick; Kennedy, Debora
Cc: Schmiedicke, David; Hoadley, Frank; Blaine, Robert
Subject: Changes to LRB # 1649/6

We need to change two numbers in the draft:

Section 10 The amount of bonding should be \$130,000,000 in FY07

Section 9225 The amount transferred from the injured patients and families compensation fund in FY06 should be \$159,703,400.

In addition, as we discussed we would like a new sum sufficient appropriation under s.20.435 (4) similar to appropriation s.20.435 (4)(r) except that this new appropriation will be a sum sufficient, capped by the amount transferred from sales tax revenues into the health care quality improvement fund for MA benefits. Please let Robert know when you have created the new appropriation and he can complete the file maintenance on our end.

Thanks,
Jim

Kennedy, Debora

From: Ziegler, Paul
Sent: Monday, January 31, 2005 11:24 AM
To: Kreye, Joseph
Cc: Champagne, Rick; Kennedy, Debora; Blaine, Robert; Johnston, James; Hanle, Bob
Subject: change to school levy credit draft -- 1886/2

Joe -- please make the attached changes to the school levy credit draft - LRB 1886.

The intent is to allow DOA to split, as it sees fit, the use of any additional revenue between two uses -- transferring extra \$ to the Health Car Quality Improvement Fund and/or paying some or the entire increase in the school levy credit in June.

Please also note the date for the DOA determination has been pushed up to September 15, 2006.

Finally, please broaden the exception to dollars going to the budget stabilization fund as necessary. (a suggestion is in the attachment.

Thank you!
Paul



levy credit extra
changes 1-31...

Kennedy, Debora

From: Kennedy, Debora
Sent: Monday, January 31, 2005 11:59 AM
To: Blaine, Robert; Johnston, James
Cc: Champagne, Rick
Subject: RE: confirm numbers

How about "20.435 (4) (rg) Health care quality improvement fund; Medical Assistance payments. From the health care quality improvement fund, a sum sufficient equal to the amount transferred under s. 16.518 (4), to provide a portion of the state share of Medical Assistance program benefits.....[same as 20.435 (4) (r)]".

The creation of s. 16.518 (4), which Rick will do, will occur in Joe Kreye's draft, LRB-1886; I will also make a D-Note to that effect for LRB-1649/7.

-----Original Message-----

From: Blaine, Robert
Sent: Monday, January 31, 2005 11:38 AM
To: Kennedy, Debora
Subject: RE: confirm numbers

unfortunately, yes.

-----Original Message-----

From: Kennedy, Debora [mailto:Debora.Kennedy@legis.state.wi.us]
Sent: Monday, January 31, 2005 11:34 AM
To: Blaine, Robert
Subject: RE: confirm numbers

I will get it to you in just a few moments, Robert. In the meantime, I assume that I should add a cross reference to the new appropriation wherever in the draft a cross reference to s. 20.435 (4) (r) exists, correct?

-----Original Message-----

From: Blaine, Robert
Sent: Monday, January 31, 2005 11:16 AM
To: Kennedy, Debora
Subject: confirm numbers

Debora --

It was clear that you had the right number, but just to be super safe, the 2005-06 PCF figure is \$159,703,400.

As Jim asked, for the new appropriation, if you would be willing to e-mail me the alpha designation and the specific title when you have completed it, I would appreciate it. That way, I can get the records created in the budget system over here, without having to wait for the /7 to arrive.

Thanks!!!

Robert Blaine

Wisconsin State Budget Office
Department of Administration
608/267-7980
608/267-0372 (fax)
robert.blaine@doa.state.wi.us

Kennedy, Debora

From: Kennedy, Debora
Sent: Monday, January 31, 2005 11:59 AM
To: Blaine, Robert; Johnston, James
Cc: Champagne, Rick
Subject: RE: confirm numbers

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Robert Blaine

Wisconsin State Budget Office
Department of Administration
608/267-7980
608/267-0372 (fax)
robert.blaine@doa.state.wi.us

Kennedy, Debora

From: Blaine, Robert
Sent: Monday, January 31, 2005 12:02 PM
To: Kennedy, Debora
Subject: RE: confirm numbers

perfect. thanks.

-----Original Message-----

From: Kennedy, Debora [mailto:Debora.Kennedy@legis.state.wi.us]
Sent: Monday, January 31, 2005 11:59 AM
To: Blaine, Robert; Johnston, James
Cc: Champagne, Rick
Subject: RE: confirm numbers

How about "20.435 (4) (rg) Health care quality improvement fund; Medical Assistance payments. From the health care quality improvement fund, a sum sufficient equal to the amount transferred under s. 16.518 (4), to provide a portion of the state share of Medical Assistance program benefits.....[same as 20.435 (4) (r)]".

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Thanks!!!

Robert Blaine

Wisconsin State Budget Office
Department of Administration
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608/267-0372 (fax)
robert.blaine@doa.state.wi.us

1/31/05: From Jim Johnston

Redraft 1649/6

- ① Create sum suff in DHFS, from trust fund, similar to (4)(v) - cap at amt. transferred

Paul Zeigler is doing draft re excess revenue - if excess revenue comes in, bonding revenue wd. be optional - RAC will create provision w/ 16

No later than Dec. 15, 2006, determination is to be made

~~159,703,400~~ From Robert: shd be 169,703,400

- ② ~~159,703,400~~ - change p. 26, l. 15 (SEC 9225 (i))

- ③ p. 6, l. 22 - 16.526 (5)(b) - change \$ amt to \$120,000,000

Joe's Draft = 1886 - changes relating to transfer of excess revenues are drafted in 1886

16.518 (4)

From RAC: He will do an approp. increase to s. 20.435 (4)(v), wh/ will make a one-time transfer into the hqgi fund - it will be unnecessary to create a new approp. or to change 20.435 (4)(v)

1 16.518 (3) (b) 3. In the 2006-07 fiscal year, the secretary shall reduce any
2 amount transferred to the budget stabilization fund under par. (a) by an amount
3 necessary to ensure that the distribution on June 15, 2007, under s. 79.10 (7m) (a)
4 1. b. is made.

5 **SECTION 3.** 16.518 (4) of the statutes is created to read:

6 16.518 (4) Notwithstanding sub. (3), if the amount of moneys projected to be
7 deposited in the general fund during the 2005-06 and 2006-07 fiscal years that are
8 designated as "Taxes" in the summary is less than the amount of such moneys
9 actually deposited in the general fund during that fiscal year, the secretary may
10 transfer any of the amount calculated under sub. (2) for those fiscal years to the
11 health care quality improvement fund.

12 **SECTION 4.** 79.10 (2) of the statutes is amended to read:

13 79.10 (2) NOTICE TO MUNICIPALITIES. On or before December 1 of the year
14 preceding the ~~distribution~~ distributions under sub. (7m) (a), the department of
15 revenue shall notify the clerk of each town, village and city of the estimated fair
16 market value, as determined under sub. (11), to be used to calculate the lottery and
17 gaming credit under sub. (5) and of the ~~amount~~ amounts to be distributed to it under
18 sub. (7m) (a) ~~on in the following 4th Monday in July year.~~ The anticipated receipt
19 of such ~~distribution~~ distributions shall not be taken into consideration in
20 determining the tax rate of the municipality but shall be applied as tax credits.

21 **SECTION 5.** 79.10 (4) of the statutes is amended to read:

22 79.10 (4) SCHOOL LEVY TAX CREDIT. The amount appropriated under s. 20.835
23 (3) (b) shall be distributed to municipalities in proportion to their share of the sum
24 of average school tax levies for all municipalities, ~~as adjusted under sub. (7) except~~
25 that \$150,000,000 of the amount appropriated shall be distributed to municipalities

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1649/7dn
DAK/PJK/RAC/MJL:wlj:rs

To Jim Johnston and Robert Blaine:

This redraft continues to reconcile LRB-1837/2, LRB-1649/3, LRB-0316/2, and LRB-0941/4. LRB-0941 has dropped out of the compiled bill. LRB-1649, LRB-1837, and LRB-0316 should all continue to appear in the compiled bill.

In this redraft, the transfer referred to under s. 25.775 (5) of the bill will be specified under LRB-1886. I have increased by \$10,000,000 the figure initially given me for this redraft for the patient's compensation fund transfer.

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